

**The ABC's
of a
Child Care
Business**

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by the Indiana
Association for Child
Care Resource &
Referral (IACCRR) in
cooperation with
the Indiana Family
and Social Services
Administration (FSSA)
and other partners
included in this
manual.



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Welcome to the world of child care! The goal of this manual is to turn the complexities of licensing, regulations and business start-up into easy-to-use information to help you become a successful child care entrepreneur.



The Basics of Child Care Programs

Licensed Family Child Care Homes

For further information call **877-511-1144** or visit www.childcarefinder.in.gov. For information regarding Orientation II for homes, call your local Child Care Resource and Referral agency.

Definition: Care provided in a residential setting for more than five unrelated children. The provider receives compensation and cares for children for a period of more than ten consecutive days excluding intervening Saturdays, Sundays and holidays.

Administrator Educational Requirements: A high school diploma or a high school equivalency certificate (GED) is required to apply for a license. Documentation is required that the licensee has completed, has enrolled in or agrees to complete within 3 years, a Child Development Associate (CDA) credential program or a similar program approved by the Division of Family Resources. In addition, a training course taught or approved by the division concerning safe sleep practices is required.

Staff Training Requirements: Universal precautions (prevention of blood borne diseases - i.e. Hepatitis B and HIV), first aid, annual CPR certification, one staff on premises at all times with annual CPR that includes the pediatric component.

Staff/Child Ratios: Determined by age mix of group.

All infants (under 16 months) - 4:1

Infants and toddler mix (if 2 of the 6 children are 16 months old and walking) - 6:1

Mixed age group with no more than 3 infants -10:1

Mixed age group with only 3-year olds and older - 12:1

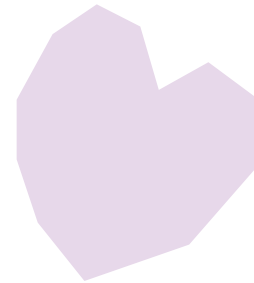
Program Policies: Balance of activities based upon developmental needs and interests and a written discipline policy signed by the parent.

Annual Inspections: Food, sanitation, health, program, safety and fire (annual inspection).

Health Requirements: Health exams and immunization records for children. Health exam, drug test and annual negative TB test for staff and household members age 18 years or older.

Square Footage Required: Enough space for children to play and sleep. When adding three additional school-age children or operating a Class II home, in which case, you are required to have 35 square feet per child.

**Note: Check with local zoning board for additional requirements within your locality as some local zoning requires that a person live in the home in which you propose to open a child care program.*



Additional Information Regarding Educational Requirements

As of June 30, 2001, all new child care home providers must have a high school diploma or a GED. In addition, upon license application, the provider must have completed, or have enrolled in, or agrees to complete within three (3) years, the attainment of a Child Development Associate (CDA) credential. Other college degrees or higher learning experiences will be considered and may exempt the provider from obtaining the CDA.

For more information on the CDA credential:

Contact the Indiana Association for the Education of Young Children (IAEYC) to obtain information on assistance with funding for the CDA credential. IAEYC offers Non-formal CDA training via nine (9) grantees throughout the state. T.E.A.C.H. (Teacher Education and Compensation Helps) offers scholarships. CDA web-based online learning opportunities are also offered through T.E.A.C.H. with registration at www.childcarelearning.IN.gov. For information call **800-657-7577** or **317-356-6884** or visit the website at **www.iaeyc.org**.

T.E.A.C.H. Early Childhood® INDIANA SCHOLARSHIPS

The T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood INDIANA serves as an umbrella for a variety of scholarship opportunities for people working in licensed, registered or exempt child care centers and homes in Indiana. The Indiana Association for the Education of Young Children, Inc. receives financial support from the Indiana Family and Social Services Administration, Division of Family Resources, Bureau of Child Care to implement the T.E.A.C.H. Early Childhood INDIANA Project. The Indiana Association for the Education of Young Children is licensed by the Child Care Services Association, Inc. out of North Carolina to administer the T.E.A.C.H. Early Childhood INDIANA project.

Child Care Centers

For further information: Call 877-511-1144. Registrations and reservations for Orientation II Sessions for Centers and Ministries are available online at www.childcarefinder.in.gov.

Definition: A child care center is a licensed facility designed to provide care for one or more children in a commercial building.

Administrator Educational Requirements: A college degree plus education and experience in early childhood development including 15 college credit hours in early childhood education.

Lead Teacher Information: Lead caregivers shall have a minimum of one (1) of the following:

- 1) A current CDA credential;
- 2) A B.A or B.S. degree in early childhood or elementary education with a kindergarten endorsement and grades of “C” or better
- 3) A B.A or B.S. degree in a field that includes: fifteen (15) credit hours in college level courses relating to the care and education of children age six and younger with a “C” or better or; A two year associates degree in early childhood education with a “C” or better (this is a synopsis of this regulation, please refer to 470 IAC 3-4.7-25 for exact wording).



4) **Staff Training Requirements:** Universal precautions (prevention of blood borne diseases - i.e. Hepatitis B and HIV), first aid, 12-hours of in-service training annually, one person on-site with appropriate CPR course completion.

Staff/Child Ratios: Ratios determined by the youngest age of the child.

Infants - 4:1

Toddlers - 5:1

Twos - 5:1

Threes - 10:1

Fours - 12:1

Fives - 15:1

School-age - 15:1

Program Requirements: Planned written activities and appropriate play/learning equipment.

Annual Inspections: Food, sanitation, health, program, safety and fire (3 separate inspections).

Health Requirements: Approved written health policies, health exams for children and staff, immunization records, drug tests and annual negative TB test for staff.

Square Footage Required: 35 square feet per child indoor and 75 square feet per child outdoor (infant indoor space is 50 square feet per child).

Registered Child Care Ministries

For further information call **877-511-1144**. Registration and reservations for Orientation II Sessions for registered child care ministries are available online at www.childcarefinder.in.gov.

Definition: Child care operated by a church or not-for-profit religious organization.

Please note: A child care ministry that is exempt from licensing must clearly state in all of its paid promotional advertising that the child care ministry is providing child care as an extension of the ministry's church or religious ministry. A child care ministry that is exempt from licensing must be referred to in all of its paid promotional advertising as a child care ministry.

Administrator Educational Requirements: None.

Staff Training Requirements: Annual universal precautions (prevention of blood borne diseases; i.e. Hepatitis B and HIV).

Staff/Child Ratios: None.

Program Requirements: None.

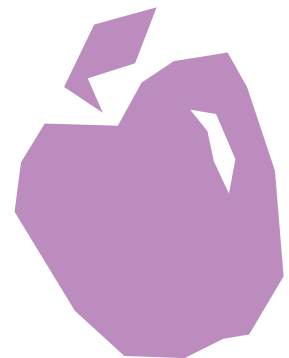
Annual Inspections: Fire for primary use of the building.

Semi-Annual Inspections: General sanitation and food, if applicable.

Health Inspections: Immunization records for children.

Square Footage Required: N/A.

Voluntary Certification: Apply for standards established for licensed centers in the areas of: Health (see Child Care Centers Requirements), Food Service and Nutrition, Infant and Toddler (including child/staff ratios) and Safety.





CCDF Provider Eligibility Standards

In an effort to improve the environment in homes or facilities where children receive care funded by the State of Indiana Child Care Development Fund, legislation was passed that required providers that are not licensed to meet certain health and safety standards. All licensed child care centers and licensed child care homes are eligible to care for children participating in the CCDF program.

The Bureau of Child Care (BCC) contracted with the Indiana Association for Child Care Resource and Referral (IACCRR) to certify legally licensed exempt providers (LLEPS) in the CCDF Provider Eligibility Standards. Registered child care ministries are certified by the Bureau of Child Care.

At a minimum, the CCDF Provider Eligibility Standards strive to ensure that these unlicensed programs have a safe environment and that the individuals caring for the children or living in the homes where care is provided meet certain standards.

Providers, adult individuals living in the home and child care workers must submit:

- Statewide criminal history checks / State Central Registry For Child Abuse & Neglect
- Drug tests results
- TB tests
- Annual CPR certification
- Current first aid certification



Providers must also:

- Show proof of a working land-line telephone
- Show proof of a safe source of hot and cold running water
- Collect proof of current age appropriate immunizations for children
- Document fire drills
- Have written emergency plans
- Have approved safe sleeping training when caring for children in a home setting

The program must have:

- Working smoke detectors
- Fire extinguisher (ABC 2 1/2 pounds or greater)
- Two exits on separate sides of the building

Note: This is meant as a quick reference and should not be used to prepare your program for inspection.

Home child care providers should contact their local child care resource and referral agency before starting the process in order to obtain the necessary paperwork and instructions on how to proceed.

Contact IACCRR at 800-299-1627 or 317-924-5202 or log onto www.iaccrr.org to locate the referral agency that serves your community.

Legally Licensed Exempt Care

If you remain unlicensed, you may never care for more than five (5) unrelated children at any one time!

470 IAC 3-1.1-26 Exemption from licensure

Section 26. Licensing is not required for a child care home if the provider:

- 1) does not receive regular compensation;
- 2) cares only for children who are related to the provider;
- 3) cares for less than six (6) children, not including children for whom the provider is parent, stepparent, guardian, custodian, or other relative; or
- 4) operates to serve migrant children.

470 IAC 3-1.1-15 Relatives Defined

Relative means a relationship to an individual who is less than 18 years of age by marriage, blood or adoption, including parents, grandparents, brothers, sisters, stepparents, step grandparents, stepsisters, stepbrothers, uncles, aunts and first cousins.

OTHER UNREGULATED PROGRAMS

IC 12-7-2-143.5 - Preschool

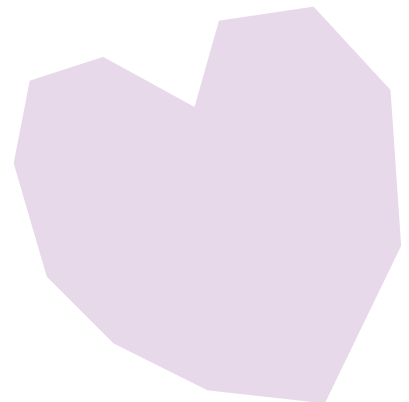
A program that provides an educational experience through an age appropriate written curriculum for children at least thirty (30) months of age who are not eligible to enter kindergarten and that:

- 1) conducts sessions for not more than four (4) hours a day;
- 2) enrolls children for only one (1) session a day;
- 3) does not serve meals on the premises;
- 4) maintains a child to staff ratio of not more than fifteen (15) children to one (1) staff member;
- 5) supervises children at all times with a person who is at least eighteen (18) years of age; and
- 6) does not operate for more than ten (10) consecutive days.

IC12-17.2-2-8 - School Age Programs

The division shall exempt from licensure a program for children enrolled in grades kindergarten through twelve (12) that is operated by the Department of Education or public or private school.

For additional rules regarding school age program requirements see the Indiana Administrative Code Rule 4.6 Section 470.



The Licensing Process

Steps For Becoming A Licensed Family Child Care Home

- **Attend a two-part Orientation Training conducted by the local Child Care Resource and Referral Agency.** To locate the resource and referral agency that serves your community, call the Indiana Association for Child Care Resource and Referral **(1-800-299-1627)** or visit **www.iaccrr.org**.
- **Prepare your home for the inspection** utilizing the inspection checklist and rules and regulations obtained in Orientation II.
- **Complete the Application for Home Licensure** provided in Orientation II. Obtain appropriate documentation and training as necessary for yourself, caregivers or family members.
- **Submit the completed application and appropriate documentation to your Licensing Consultant.** The Licensing Consultant will contact you to schedule an inspection.
- **The Licensing Consultant will complete the home inspection.** The Licensing Consultant will either recommend approval or recommend denial of the child care home application.
- **If approved,** licensing recommendations are sent to the Bureau of Child Care Licensing Section for final approval and signature by the Director and Deputy Director of the Division of Family Resources (DFR).
- **An original license is mailed to the new provider** and a copy is kept for the Division of Family Resources, Bureau of Child Care.
- **Post license in home.**

Steps For Becoming A Licensed Center Or Registered Child Care Ministry

The following information gives the basic steps you should follow to obtain a license or registration for a child care facility. Please note: Pre-registration and reservations are available online at **www.childcarefinder.in.gov** or call the Division of Family Resources Licensing Section at **317-233-5413** for child care ministries or **317-232-4469** for centers for a licensing or registration packet.

- **Attend a two-part Orientation Training.** Part I is conducted by your local Child Care Resource & Referral agency. Part II is conducted by the Bureau of Child Care on the first Wednesday of every month in the Indiana Government Conference Center and is required for all facilities seeking licensure or registration. Reservations are required.
- **Contact the State Licensing Consultant** for the area in which your center will be located.
- **Identify Financial Resources** for funding your project. The Financial Resources section of this manual is a good place to start.
- **Prepare a Business Plan** that includes a needs assessment/market analysis to determine child care demographics in your community. Refer to your local Small Business Development Center or your local SCORE counselor for guidance. Speak with your local child care resource and referral office for more information.
- **Contact Architect/Engineer/Local Zoning and Local Building Commissioners** to determine an appropriate location and the potential cost of building. Plans must be approved by the State Building Commission and the Indiana State Department of Health. It is recommended that the building architect/engineer attend the Licensing Orientation Training Session.

Please file two sets of child care center building plans:

- one with the Fire and Building Services Department
- one with the State Department of Health, Consumer Protection Office.

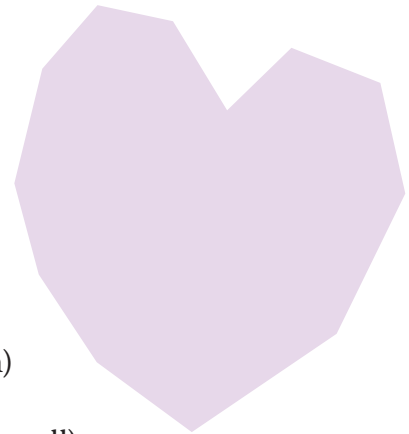
Please note: You must include your architect/engineer's notification that the new construction, expansion or remodeling of an existing building meets the occupancy codes for a child care center including water, sewage and plumbing.

Child Care Centers - Complete a Licensing Application that includes:

- Application for Licensure.
- Criminal History Check. This is available online: www.IN.gov.
- Statement attesting that applicant has not been convicted or charged with any felony or misdemeanor relating to the health or safety of children.
- Submit a written plan for Nutrition and Food Service including two (2) weeks of menus to your Licensing Consultant for approval prior to licensure.
- Submit a complete written Health Program Form and attachments to your Licensing Consultant for approval prior to licensure.
- Please note: Prior to opening your new center, the building must pass on-site inspections by the Office of the State Fire Marshal, a State Sanitarian from DFR and your Child Care Licensing Consultant. These inspections will also be made annually.

Registered Child Care Ministries - Complete a Registration Application that includes:

- Application for Registration.
- Criminal History Check form. This is available online at www.IN.gov.
- Notarized attestation form that states the applicant represents the religious organization that will operate and be responsible for the ministry.
- A copy of the IRS determination letter for 501(c)(3) status of the church or religious organization.
- Check for \$50.00 payable to the "Child Care Fund".
- Septic disposal system approval (if on private septic system) from the Indiana State
- Department of Health and a well water report (if on private well) approval from the Indiana Department of Environment Management Drinking Water Branch.



Please note: Prior to opening your registered ministry, the building must pass on-site inspections for sanitation requirements conducted by a Division of Family Resources Sanitarian and inspection by State Fire Marshal. These inspections will be made semi-annually. Registration with the Division of Family Resources and the State Fire Marshal is required annually.



Federal and State Laws Impacting Child Care

Americans With Disabilities Act (ADA)

A setting that includes children with disabilities, or an inclusive setting, is a setting where:

- 1) All children, those with and without disabilities, have an opportunity to play and learn together;
- 2) The special needs and interests of each child, including those with disabilities, are addressed;
- 3) The philosophy is based on the belief that all children have the right to be included with their peers in all age-appropriate activities throughout life;
- 4) A child with a disability is included in the daily routines of an already appropriate program. (Child Care plus+ Curriculum on Inclusion: Practical Strategies for Early Childhood Programs).

Caring for children with special needs does NOT mean moving your program, buying all new toys or providing extra staff for children. Quality, developmentally appropriate care for one child is quality, developmentally appropriate care for ALL children. Who can provide this service? YOU can!

The key to successful inclusion of young children in early childhood settings is the provision of training, technical assistance and support to staff. This training, technical assistance and support are available through the Inclusion Specialists in all Child Care Resource and Referral agencies throughout Indiana.

The Americans with Disabilities Act (ADA) is the federal law passed in 1990 to protect persons with disabilities.

Title I - Privately operated centers employing 15 or more people may not discriminate in employment practices based on a disability.

Title II - All settings receiving any government funds [such as CACFP or CCDF dollars] may not discriminate on the basis of a disability in offering individuals the opportunity to participate in a service, program or activity.

Title III - Centers and family child care homes must provide equal opportunity to children, parents and others with disabilities to participate in programs and services.

For more information on the above services or to locate your local Inclusion Specialist please contact the Indiana Partnership for Inclusive Child Care Program Director (IPICC Director) at 1-800-299-1627.

A B C's of Child Care

Indiana First Steps

Indiana's First Steps System provides early intervention for families which have infants and toddlers with developmental delays or who show signs of being at-risk to have certain delays in the future. Indiana First Steps is a family-centered, coordinated system to serve children from birth to age 3 who have disabilities and/or who are developmentally vulnerable for certain delays in the future.

First Steps brings together families and professionals from education, health and social service agencies. By coordinating locally available services, First Steps is working to give Indiana's children and their families the widest possible array of early intervention services.

For more information or to make a referral to the First Steps system, call **317-232-1144**.

Special Education Cooperatives

After their third birthday, children with developmental delays must be served (if deemed necessary by a screening process) by your local school system. Your school system may offer services to preschool age children who have a disability through a special education preschool cooperative. To locate services near you call your school system's main office or the Department of Education Division of Exceptional Learners at **317-232-0570**.



Department Of Child Services - Reporting Child Abuse And Neglect

Indiana's Department of Child Services (DCS) protects children from further abuse or neglect and prevents, remedies or assists in solving problems that may result in abuse, neglect, exploitation or delinquency of children.

DCS operates a **toll-free hotline (1-800-800-5556)** for people to call and report suspected cases of child abuse or neglect. DCS receives and initiates investigations of abuse reports on a 24-hour basis.

Investigations of abuse or neglect may be indicated, substantiated or unsubstantiated. The child's safety is the primary factor in all DCS investigations. Families receive services based on the severity of the abuse or neglect, an assessment of the child's and the family's needs, and an assessment of the relative safety and risk to the child in the home.

Indiana Partnership For Inclusive Child Care (IPICC)

The Indiana Partnership for Inclusive Child Care (IPICC) educates providers that quality, developmentally appropriate care for one child is quality, developmentally appropriate care for ALL children. The key to successful inclusion of young children in early childhood settings is the provision of training, technical assistance and support to staff. This training, technical assistance and support are available through the Inclusion Specialists in all Child Care Resource and Referral agencies throughout Indiana.

For more information or to inquire about services contact your local child care resource and referral or the Indiana Association for Child Care Resource and Referral (IACCRR) at 1-800-299-1627 or visit our website at www.iaccrr.org.



Health and Safety In Child Care

Tips To Protect Children From Environmental Threats

Help Children Breathe Easier

- Wash children's hands before they eat and wash bottles, pacifiers, and toys often.
- Don't smoke or let others smoke in your home or car.
- Keep your home as clean as possible. Dust, mold, certain household pests, secondhand smoke, and pet dander can trigger asthma attacks and allergies.
- Limit outdoor activity when air pollution is bad such as on ozone alert days.

Protect Children From Lead Poisoning

- Wash children's hands before they eat and wash bottles, pacifiers, and toys often.
- Wash floors and window sills to protect kids from dust and peeling paint contaminated with lead especially in older homes.
- Run the cold water for 30 seconds to flush lead from pipes.
- Get kids tested for lead – check with your doctor.
- Test your environment for lead paint hazards if it was built before 1978.

Protect Children From Carbon Monoxide (CO) Poisoning

- Have fuel-burning appliances, furnace flues and chimneys checked once a year.
- Never use gas ovens or burners for heat and never use barbeques/grills indoors or in the garage.
- Never sleep in rooms with un-vented gas or kerosene space heaters.
- Don't run cars or lawn mowers in the garage.
- Install a UL approved CO detector in sleeping areas.

Protect Children From Too Much Sun

- Have kids wear hats, sunglasses, and protective clothing.
- Use sunscreen on kids over 6 months and keep infants out of the sun.
- Keep kids out of mid-day sun – the sun is most intense between 10 am and 4 pm.

Keep Pesticides And Other Toxic Chemicals Away From Children

- Put food and trash away in closed containers to keep pests from coming into your home.
- Don't use pesticides if you don't have to – look for alternatives.
- Read product labels and follow directions.
- Use bait & traps instead of bug sprays when you can place the bait & traps where kids can't get them.
- Store where kids can't reach them and never put in other containers that kids can mistake for food and drink.
- Keep children, toys and pets away when using pesticides and don't let them play in fields, orchards and gardens after pesticides have been used.
- Wash fruits and vegetables under running water before eating – peel them when possible.

Safeguard Children From High Levels Of Radon

- Test your environment for radon with a home test kit.
- Fix your environment if your radon level is 4 pCi/L or higher. For need help, call 800-644-6999.

Protect Children From Contaminated Fish And Polluted Water

- Call the local or state health department to learn about any local advisories for limiting the amount of fish to be eaten or beach closing.
- Take used motor oil to a recycling center and properly dispose of toxic household chemicals.
- Find out what's in your local drinking water – call your local water system for your annual drinking water quality report or if you have a private home drinking water well, test it every year.

Get Involved! Call toll-free 800-451-6027 for more information or check out IDEM's website at www.in.gov/idem/compliance/ctap/5star/kids/

The Indiana Department of Environmental Management provides information to child care facilities. Materials include a manual, self-assessment, posters, place mats, magnets, curricula, and more.

Consumer Product Safety Commission

The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products under the agency's jurisdiction. Deaths, injuries and property damage from consumer product incidents cost the nation more than \$700 billion annually. The CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical, or mechanical hazard or can injure children. The CPSC's work to ensure the safety of consumer products - such as toys, cribs, power tools, cigarette lighters, and household chemicals - contributed significantly to the 30 percent decline in the rate of deaths and injuries associated with consumer products over the past 30 years.

What do they have to offer child care providers?

Publications

Find and view CPSC publications, other agency documents and reports. The Safe Nursery is a publication available free of charge (download) to assist with making safer environments for infants and toddlers (www.cpsc.gov/cpscpub/pubs/202.pdf).

Official Federal Regulatory Information

Find CPSC's regulatory information [Code of Federal Regulations, CPSC's Federal Register notices (including those soliciting public comments), search for all Federal Register notices, etc.]

Consumer Product – Related Statistics

Statistics for: children's products, child poisonings, CO (carbon monoxide) poisonings, electrocutions, fires, fireworks, sports and recreation and other products.

Electronic Notification of Recalled Products

Get notified via e-mail when products have been recalled

Report Potentially Hazardous or Dangerous Products

Call, fax, or e-mail reports on products that you have found to be unsafe. The Commission tabulates reports and leads the process in recalling unsafe products.

Mailing address: U.S. Consumer Product Safety Commission
Washington, D.C. 20207-0001

Contact Information: Telephone: (800) 638-2772
Fax: (301) 504-0124 and (301) 504-0025
E-mail: info@cpsc.gov website: www.cpsc.org

Indiana Child Care Health Consultants (ICCHCP)

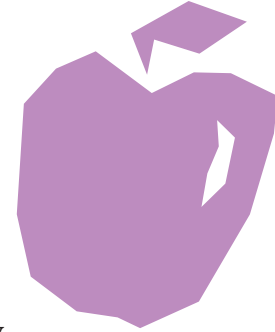
"Helping to create child care communities where children are safe, healthy and ready to learn"

The Indiana Child Care Health Consultant Program provides the following free services:

- Health and Safety Assessment of your child care setting.
- On-site, e-mail and/or phone consultation about health and safety in child care.
- Resource library of printed materials for program development and staff training.
- Staff, parent, and child educational materials in a variety of formats.
- Referrals to local health and safety resources for training and support, and a
- Website that is continually updated and includes:
 - Health and safety fact sheets developed in response to child care provider needs.
 - Training opportunities.
 - Health and safety policy templates and procedures.
 - Links to National and State health and safety resources.

ICCHCP partners with local health services agencies and professionals:

- Physicians, dentists, and nurses
- Mental health personnel
- Hospitals, clinics, and
- other community and state programs, to help you and your community make sure all children are safe, healthy, and ready to learn.



Partnerships with other programs assisting providers in the provision of quality child care include:

- Indiana Association for Child Care Resource and Referral and local service delivery offices
- Indiana Association for the Education of Young Children
- Child Care Regulators for the Bureau of Child Care

To learn more about the free services of this program call 1-800-825-4733 or visit the program's website at www.iu.edu/~cchealth.

Funds for this program are provided by the Indiana Family and Social Services Administration Division of Family Resource-Bureau of Child Care and the Indiana State Department of Health-Maternal and Children's Special Health Care Services. Additional support provided by Indiana University's Indiana Institute on Disability and Community-Early Childhood Center.

Infant & Toddler Safety

Crib Safety

For infants less than 12 months of age, follow these practices to prevent suffocation and keep your baby safe:

- Place baby on his/her back in crib with a firm, tight-fitting mattress.
- Do not put pillows, quilts, comforters, sheepskins, pillow-like bumper pads or pillow-like stuffed toys in crib.
- Use only a fitted bottom sheet made specifically for crib use.
- Consider using a sleeper instead of a blanket.
- If you do use a blanket, place baby with feet to foot of the crib. Tuck a thin blanket around the crib mattress, covering baby only as high as his/her chest.
- Use only a crib approved by the CPSC for safety.

Safe Sleeping Practices Training

Indiana regulations now require all licensed child care homes as well as all homes receiving CCDF vouchers to comply with the PL 162-2005 safe sleeping practices training. All current licensees and those homes currently receiving CCDF vouchers should obtain Safe Sleeping Practices training by September 30, 2006. All homes entering the regulatory process after May 1, 2006 should plan on completing this training prior to application for Indiana Home Licensure or CCDF (Voucher) Provider Eligibility Standards Certification.

The Indiana Association for Child Care Resource and Referral (IACCRR) is coordinating the provision of Safe Sleeping Practices and Reducing the Risk of SIDS in Child Care, a 2.5 hour training approved by the Bureau of Child Care to meet PL 162-2005 requirements. If you have questions regarding the Safe Sleeping Practices training, please call IACCRR at 1-800-299-1627.

Infant/Toddler Specialists

An Infant/Toddler Specialist is housed in each local CCRR to work with families, child care providers, and the community. The local CCRR offers for families of infants and toddlers enhanced referrals, specialized consumer education, and parent trainings. Child Care Providers are offered trainings specific to infant/toddler issues, on-site consultation, and mentoring. Presentations and materials regarding the campaign and infant/toddler issues are available through the local CCRR.

For more information or to inquire about Infant/Toddler Specialists, contact your local child care resource and referral or the Indiana Association for Child Care Resource and Referral (IACCRR) at 1-800-299-1627 or visit our website at www.iaccrr.org.

Reducing The Risk Of SIDS

What is SIDS? SIDS is a term used to describe the sudden, unexplained death of an infant.

SIDS, a word that stands for Sudden Infant Death Syndrome, is the sudden and unexplained death of a baby under one year of age.

Because many SIDS babies are found in their cribs, some people call SIDS “crib death.” But cribs do not cause SIDS.

Doctors and nurses don’t know what causes SIDS, but they do know:

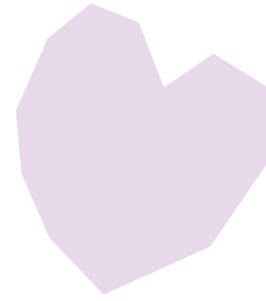
- SIDS is the leading cause of death in babies after one month to 12 months of age.
- Most SIDS deaths occur in babies who are between 2 and 4 months old.
- More SIDS deaths occur in colder months.
- Babies placed to sleep on their stomachs are much more likely to die of SIDS than babies placed on their backs to sleep.
- African American babies are twice as likely to die of SIDS as Caucasian babies.
- American Indian babies are nearly three times more likely to die of SIDS than Caucasian babies.

In the United States, around 3,000 infant deaths are attributed to SIDS each year. Approximately 20% of these deaths occurred while infants were in the care of someone other than their parent.

SIDS is not contagious. SIDS is not caused by vomiting, choking, or minor illnesses such as colds or infections. Deaths due to vaccine reactions or child abuse are not classified as SIDS deaths.

While we don't know what causes SIDS, we have identified three factors associated with increased risk of SIDS:

- 1) placing a baby on the stomach (prone position) to sleep;
- 2) being exposed to tobacco smoke during pregnancy and after birth;
and
- 3) using soft surfaces such as pillows, in a baby's sleeping area.



Note: According to a recent study, in child care settings the overriding risk factor for SIDS was placing a baby on it's tummy to sleep. Always place infants on their back to sleep.

What can a child care provider do to reduce SIDS? Develop and follow a policy regarding sleep position in your child care setting. At the present time, SIDS is not preventable.

Including the following recommendations in your sleep position policy will reduce the risk of SIDS:

Place babies only on their backs to sleep. This recommendation from the American Academy of Pediatrics and the National Back to Sleep Campaign applies to most babies. However, some babies should lie on their stomach (in a prone position), such as those with respiratory disease, symptomatic gastro-esophageal reflux or certain upper airway malformations. Require parents to bring you a written recommendation from their health provider if they say their baby should sleep on his/her stomach.

Don't smoke. Provide a smoke-free environment for babies in your care; encourage parents who smoke to quit. Recent research indicates that the risk of SIDS doubles among babies exposed only after birth to cigarette smoke and triples for those exposed both during pregnancy and after birth.

Use firm, flat mattresses in safety-approved cribs for babies' sleep. Don't use soft sleeping surfaces and objects that trap gas in the babies' sleeping area. The U.S. Consumer Product Safety Commission has issued advisories for parents on the hazards to infants of sleeping on beanbag cushions, sheepskins, foam pads, foam sofa cushions, waterbeds, synthetic-filled adult pillows and foam pads covered with comforters.

Avoid overheating. Overheating (too much clothing, too heavy bedding and too warm a room) may increase the risk of SIDS for babies.

Too many babies are dying of SIDS in Indiana's child care programs. Help reduce the risk by more than 40% by utilizing the information above.

Note: If a parent requests any other position for sleeping other than the back, have them bring in a note from their doctor.

Infants do need "Tummy Time". This is during hours where the infant is awake. This helps develop the muscles in their upper body. Caregivers should provide supervised times throughout the day for infants to be awake on their tummies. Provide a clean safe area for tummy time.



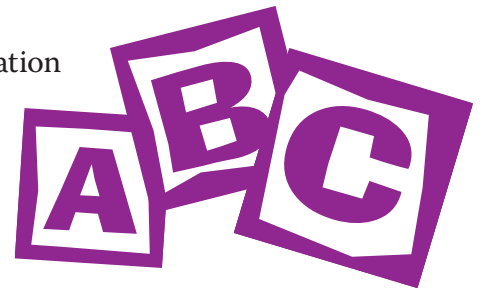
Technical Assistance Resources

Indiana Association For Child Care Resource & Referral (IACCRR)

The Indiana Association for Child Care Resource & Referral (IACCRR) is a statewide organization with a mission focused on working with local member agencies at a local, state and national level to provide, coordinate and advocate for a strong statewide system of child care resource and referral, resulting in safe, healthy and responsive care for all children.

Through its member local child care resource and referral agencies, IACCRR reaches every community in Indiana and coordinates early care and education initiatives, including:

- Orientation Training
- Child Care Development Fund (CCDF) provider certification
- Indiana Partnership for Inclusive Child Care (IPICC)
- Hispanic/Latino Outreach
- Indiana Work Life
- Better Baby Care Indiana (BBCI)
- Mentors as Partners (MAP)



The **Better Baby Care Campaign** is a nationwide effort to improve the early care of infants and toddlers while their parents are working, in school, or in need of out-of-home services. The campaign seeks to bring attention to the issues and to improve the policies that govern the quality of care, parent education, family support, provider support, paid family leave, and related policies.

The Better Baby Care Indiana Campaign is a project coordinated through the Indiana Association for Child Care Resource and Referral (IACCRR), in collaboration with many partners. Better Baby Care Indiana efforts are to raise awareness, provide training, consumer education, engage health professionals, work collaboratively with existing organizations and agencies, and change public policy.

Better Baby Care Indiana proposes four critical components of focus: Safe and healthy care; family-centered care; developmentally appropriate care; and critical investments. The focus is on four broad audiences: families, child care providers, local communities, and policy makers.

Better Baby Care Indiana is implemented in part through the local Child Care Resource & Referral (CCRR) agencies. An Infant/Toddler Specialist is housed in each local CCRR to work with families, child care providers, and the community. The local CCRR offers for families of infants and toddlers enhanced referrals, specialized consumer education, and parent trainings. Child Care Providers are offered trainings specific to infant/toddler issues, on-site consultation, and mentoring. Presentations and materials regarding the campaign and infant/toddler issues are available through the local CCRR.

The **Indiana Partnership for Inclusive Child Care (IPICC)** educates providers that quality, developmentally appropriate care for one child is quality, developmentally appropriate care for ALL children. The key to successful inclusion of young children in early childhood settings is the provision of training, technical assistance and support to staff. This training, technical assistance and support are available through the Inclusion Specialists in all Child Care Resource and Referral agencies throughout Indiana.

For more information contact the Indiana Association for Child Care Resource and Referral (IACCRR) at 1-800-299-1627 or visit our website at www.iaccrr.org.

Indiana Work • Life

Indiana Work • Life, an IACCRR economic development initiative, provides businesses around the state with access to qualified consultants specializing in the work/life initiative. Consultants work with clients to identify employee needs, summarize a thorough community audit of existing resources and conduct a cost/benefit analysis on proposed programs. Indiana Work • Life consultants counsel with the local child care resource and referral office when appropriate to offer options in a timely manner to address the work/life issues specific to individual employers.

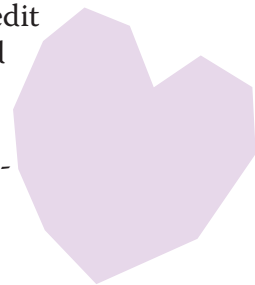
There is no charge for this consulting service to Indiana employers, however some of the options discussed for implementation will have a fee for service associated with them. Consultants can help Indiana employers in initiating the following policies:

- Emergency back-up care
- Mildly ill care
- Child care funding programs
- Dependent care assessments
- Extended hour care
- Customized referral services
- Community consortium
- Reserved slots
- Before/after school programs
- Customized referral services

For more information on Indiana Work • Life, contact IACCRR at 317-924-5202 or visit the website at www.indianaworklife.com.

Tax Credits

Effective January 1, 2002, businesses providing child care receive a 25% tax credit on expenses for employee child care and a 10% tax credit on expenses for child care resources. The maximum tax credits \$150,000 a year. Tax credits are not just for big businesses anymore. As a result of the Child Care Infrastructure Act, now even small companies may be able to offer some type of child care assistance for their employees. Resource: Katz, Sapper & Miller at 317-580-2080.



Mentors As Partners (MAP)

"Mentors as Partners" (MAP) is a project of the Indiana Association for Child Care Resource and Referral, which is funded by the Indiana Family and Social Services Administration, Bureau of Child Care. The project provides funding for each child care resource and referral agency in Indiana to implement a mentoring project with the goal of increasing the quality of child care in the state. In addition to a part-time mentor, the agency Better Baby Care Specialist and Inclusion Specialist may also provide mentoring under the direction of the Education Coordinator.

On-site mentoring is provided to licensed family child care homes, licensed child care centers, and registered child care ministries, using a model developed by Early Childhood Alliance. The Early Childhood Environmental Rating Scales, Infant/Toddler Environmental Rating Scales and Family Day Care Rating Scales are used to guide and evaluate the project. Materials and equipment are selected by the mentor for participating programs, using the rating scales to determine need.

For more information or to inquire about the Mentors as Partners (MAP) program, contact your local child care resource and referral or the Indiana Association for Child Care Resource and Referral (IACCRR) at 1-800-299-1627 or visit our website at www.iaccrr.org.

The Child And Adult Care Food Program

The Child and Adult Care Food Program (CACFP) helps provide nutritious meals to children twelve years of age and younger and to some adults in day care settings. All approved CACFP participant facilities are eligible for reimbursement of meals that meet the U.S. Department of Agriculture standards for the components and quantities of foods served to eligible participants.

For additional information or to receive an application for participation in this program, please contact Indiana Department of Education, School and Community Nutrition Programs, Child and Adult Care Food Program at **1-317-232-0870 or toll-free 1-800-537-1142 or visit www.doe.state.in.us/food/childadults/welcome.html**.

Title I - Supported Pre-School Program: Many school districts support preschool programs with their Title I (Education for the Disadvantaged) funds.

Early Reading First: This program provides competitive grants to school districts and pre-school programs, such as Head Start centers. The grants fund the development of model programs to support the school readiness of preschool aged children, particularly those from low-income families. Program activities will prepare teachers to provide high quality language, literacy and pre-reading activities.

Even Start: This program supports projects that provide educational services to low - income families, including parents eligible for services under the Adult Educational and Family Literacy Act and their children from birth through age 7. The program improves the educational opportunities of children and their parents in low - income areas by integrating early childhood education, adult education and interactive literacy activities between parents and their children into “family literacy” programs.

Special Education Preschool Grants and State Grants: This program, along with 6% of Special Education State grants, provides formula grants to states to make available special education and related services for 3-to 5-year-old children with disabilities. It supports early childhood programs that provide services needed to prepare young children with disabilities to enter and succeed in school. The Preschool Grants program provides a developmental bridge between early intervention services and elementary school.

For more information on Department of Education Early Education programs, please call 317-232-9177 or visit www.doe.state.in.us.

Center For Disability Information & Referral

The Center for Disability Information & Referral (CeDIR) is located at the Indiana Institute on Disability and Community located at Indiana University-Bloomington. CeDIR provides access to information to meet individuals' disability-related information needs through print, non-print, and human resources. The library at CeDIR has over 8,000 books, videos and kits that can be borrowed by anyone who lives or works in the state of Indiana. For those who don't live or work in Bloomington, library materials may be sent through the mail at our expense and sent back at the patron's expense.

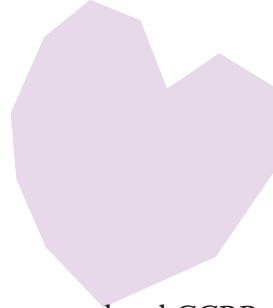
To learn more, please call 1-800-437-7924 or visit our website at www.iidc.indiana.edu/cedir.

Braintree Kits

The Division of Family Resources wants preschoolers to feel excited about learning, especially learning the fundamentals of math and science! Science and math kits that are fun to preschoolers have been developed at no cost to the providers. This innovative program introduces science and math topics to preschool children throughout the state. The learning kits are easily obtained. Topics include such concepts as shapes, patterns, counting, ecology and healthy eating.

Some kit titles include:

- The Mystery of Magnets
- The Vegetable Garden
- How Many?
- Measuring Up!
- Patterns Everywhere
- Sort It Out!
- Sound
- What's The Shape?
- Design It! Build It!
- Sink or Float?



Many additional kit titles are available. For more information, contact your local CCRR office.

Early Childhood Meeting Place

Find information about degree and certificate programs resources for professional development, and careers in the field of early care and education for all children.

Professional Training and Technical Support Resources

Find training opportunities in Indiana to send employees or students to, or attend yourself to fulfill certificate or workplace requirements

Degree and Certificate Programs

Learn about higher education opportunities in Indiana in the field of early childhood education, family services, exceptional learners, and more.

Career Opportunities

Search job openings in early intervention, family services, primary school-age education, early childhood education, administration, and more.

Sponsored by The Early Childhood Center, Indiana Institute on Disability and Community, Indiana University Bloomington. For more information call: 812-855-6508 / 1-800-825-4733 or visit <http://earlychildhoodmeetingplace.indiana.edu/>

The Indiana Youth Institute (IYI)

The Indiana Youth Institute (IYI) promotes the healthy development of children and youth by serving the institutions and people of Indiana who work on their behalf. IYI offers:

- Grant Tips
- Resource Library
- Scholarships for Professional Development
- Statistics

IYI - 603 E. Washington Street, Suite 800, Indianapolis, Indiana 46204-2692. For more information call 1-800-343-7060 or visit www.iyi.org

Professional Development

The most critical indicator of quality child care is the level of education of child care providers. The following Education and Professional Development Assistance is available to you.

T.E.A.C.H. Early Childhood® INDIANA, the participants and their sponsoring child care program each pay a portion of the cost. Funding for T.E.A.C.H.'s portions of the cost has come from the Indiana Child Care Fund through contributions by foundations, corporations, the higher education community and federal funds.

Any teacher, director, or family child care home provider working in a state regulated child care setting is eligible to apply for one of the T.E.A.C.H. scholarships. More information can be found at the IAEYC website: www.iaecy.org. In addition, CDA web-based online learning opportunities are also offered with T.E.A.C.H. with registration at www.childcarelearning.IN.gov. Please note: A high school diploma or a high school equivalency certificate (GED) plus documentation that the licensee has completed, enrolled in or agrees to complete within 3 years, a Child Development Associate (CDA) credential program or a similar program approved by the Division of Family Resources. The following T.E.A.C.H. scholarships are available:

1. The Child Development Associate (CDA) Scholarships — IAEYC offers two opportunities for financial assistance for completing the 120 clock hours of training necessary for attaining the CDA. Non Formal CDA training opportunities are available through nine (9) subgrantees of IAEYC throughout the State of Indiana. T.E.A.C.H. Early Childhood INDIANA scholarships are available for the training process to complete the required 120 clock hours of training through this scholarship. The Child Development Associate (CDA) Credential is awarded through the National Council for Professional Development in Washington, D.C. The CDA is a performance-based training, assessment and credentialing process for child care staff, home visitors and family child care providers who work with children from birth through age five. It requires applicants to be at least eighteen (18) years of age, hold a high school diploma or GED, have 480 hours of experience working with children within the past five years, and have 120 clock hours of formal child care education within the past five years.

2. The Child Development Associate Assessment Scholarships — T.E.A.C.H. Early Childhood® INDIANA Scholarships are available for the CDA Assessment phase of the credentialing program.

3. Early Childhood Associate Degree T.E.A.C.H. Scholarship — The T.E.A.C.H. Early Childhood® INDIANA offers scholarships for child care providers to take classes that apply toward an Associate Degree (AAS) in Early Childhood Education. Scholarships are available to center teachers, directors and family child care providers who are working in a state regulated or registered child care facility.

4. Early Childhood Bachelor's Degree T.E.A.C.H. Scholarship — The T.E.A.C.H. Early Childhood® INDIANA offers scholarships for child care providers to take classes that apply toward a Bachelor's Degree in Early Childhood Education. Scholarships are available to center teachers, directors and family child care providers who are working in a state regulated or registered child care facility.

For more scholarship information, contact the T.E.A.C.H. Early Childhood® INDIANA offices at 1-317-356-6884 or 800-657-7577 and www.iaecy.org

Indiana Accreditation Project

The purpose of the Indiana Accreditation Project is to provide technical and financial assistance to support accreditation of early childhood facilities; family child care homes; and school-age programs.

The Indiana Accreditation Project provides funding for accreditation fees and reimbursement of accreditation fees for the National Association for the Education of Young Children (NAEYC) and the National Association for Family Child Care (NAFCC) accreditation.

The Indiana Accreditation Project is administered through the Indiana Association for the Education of Young Children (IAEYC). For more information, contact IAEYC at 317-356-6884.

Child Care Learning: An Online Child Development Associate (CDA) Credential Training Program

Child Care Learning (CCL) was developed to address the needs of providers statewide with limited financial means and/or residing in areas with limited or no access to traditional, on-going education. FSSA initiated the CCL pilot for Web-based delivery of early childhood education in June 2001. Since implementation CCL has expanded its curriculum offered via distance learning with a full implementation of a unique mentor component, planned tuition subsidies, an early literacy and a child care business management component and a comprehensive evaluation of web-based delivery.

State Partners: Family and Social Services, Indiana Head Start, Access Indiana and the Indiana Association for the Education of Young Children - T.E.A.C.H. (Teacher Education And Compensation Helps) Early Childhood® INDIANA are partners in the online program initiative. Ivy Tech State College and Saint Mary-of-the-Woods College provide current and prospective child care providers an avenue for education and professional recognition of their skills. The Child Care Learning program does not require a student to become a degree-seeking student at either college.

Financial Support: T.E.A.C.H. Early Childhood® INDIANA project offers scholarships to CCL participants to assist with the cost of tuition and books, including a travel stipend and paid release time, allowing participants time to study. Information regarding scholarships and Federal and State Student Assistance is provided. Please visit www.childcarelearning.IN.gov.

State Student Assistance Commission Of Indiana

The State of Indiana, through the SSACI, offers assistance to its college-bound citizens. To apply for Indiana grants and scholarships and federal aid programs, students must complete a Free Application for Federal Student Aid (FAFSA). The FAFSA is the core document necessary to apply for all types of student financial aid available through the state and federal governments as well as the colleges and universities. The completed FAFSA must be returned to the federal government and only the federal government. Do not send a copy to SSACI or your college. You can obtain a FAFSA from the school you plan to attend. **For online information, go to www.in.gov/ssaci. For more information, contact Federal Student Aid Information at 1-800-433-3243.**

Federal Pell Grants

What is a Pell Grant? Federal Pell Grant money, unlike a loan, does not have to be repaid. Pell Grants are awarded only to undergraduate students who have not earned a bachelor's or professional degree. Pell Grants provide a foundation of financial aid to which other aid may be added. You can receive only one Pell Grant in an award year. How much you get will depend not only on your financial need, but on the cost of attendance, whether you are a full or part-time student and whether you attend the school for a full academic year or less. How will you be paid? Your school can either credit the Pell Grant funds to your school account, pay you directly or combine these methods. **For more information, contact Federal Student Aid Information at 1-800-433-3243.**

Services for Families

Early Head Start/Head Start

Early Head Start and Head Start programs are directly funded by the federal Department of Health and Human Services, Administration for Children and Families. These programs provide comprehensive services to low - income children and their families. Services include early childhood education, health and nutrition, disabilities services, parent education and involvement opportunities. The DHHS funding source mandates eligibility, i.e., family income must be at or below the federal poverty guidelines.

Early Head Start programs serve children birth to age three. Currently there are only 33 counties in the state funded to provide Early Head Start. Head Start programs serve children ages three to five. Every county in Indiana is served by a Head Start program. Nearly 17,000 Indiana children are served by Early Head Start and Head Start programs. Early Head Start and Head Start programs are interested in exploring partnerships with early education and child care providers. If you would like to know more about these programs or locate your local program, contact the Indiana Head Start Association, **317-916-0810** or the Indiana Head Start Partnership office at the state **317-233-6837**.



Child Care Development Child Care Fund Voucher Program

Parents who need financial assistance to help pay for their child care expenses can be referred to the Child Care and Development Fund (CCDF) intake agent. Parents can choose from available licensed, registered or legally license-exempt child care such as center-based, school-age, family child care, relative care and ministry care that meet applicable state requirements. If funds are available, the intake agent will determine if the family is eligible for the program.

Please note: For providers serving CCDF voucher children, there are higher potential reimbursement rates based on the level of quality provided. Licensing, accreditation and voluntary certifications are reimbursed at higher rates.

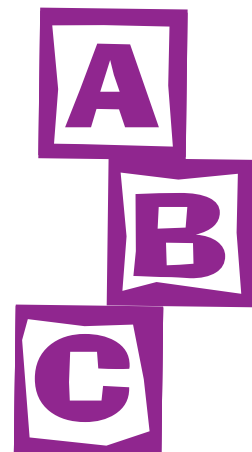
To locate the CCDF voucher intake agent in your community, contact the Bureau of Child Care/Division of Family Resources in the Family and Social Services Administration at 1-877-511-1144 or visit www.in.gov/fssa/family/children/bcc.

Hoosier Healthwise

Hoosier Healthwise is a health insurance program for Indiana children, pregnant women, and low-income families. Health care is provided at little or no cost to Indiana families enrolled in the program.

Based on family income, children up to age 19 may be eligible for premium-free coverage, or low-cost coverage under the Children's Health Plan — Benefit Package C (www.in.gov/fssa/programs/chip/). For package C, monthly premiums range from \$11 to \$16.50 for one child, and \$16.50 to \$24.75 for two or more children. **Call 1-800-889-9949 to get information about the Hoosier Healthwise program.**

Notes:





Connecting With Business Resources

Service Corps Of Retired Executives (SCORE)

Counselors To Americas Small Businesses

What Is SCORE? SCORE, the Service Corps of Retired Executives, is a 13,000 member volunteer association sponsored by the U.S. Small Business Administration. Since 1964, the association has matched volunteer business-management counselors with clients in need of expert advice. SCORE has experts in virtually every area of business management and maintains a national skills roster to help identify the best counselor for a particular client. Volunteer counselors, whose collective experience spans the full range of American enterprise, share their management and technical expertise with both present and prospective small business owners.

What Can SCORE Do For You? Through in-depth counseling and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine their causes and find solutions. SCORE can:

- Offer a mentor/counselor to assist you with the business aspects of child care.
- Assist with tasks like filling out legal forms.
- Provide resources to help with operating a business.
- Offer information on taxes, insurance, record keeping, marketing and business planning.
- Offer workshops on running a small business.

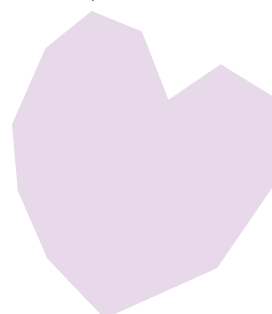
For more information on SCORE, please contact www.score.org or call 317-226-7264.

Small Business Development Center Program

The U.S. Small Business Administration (SBA) administers the Small Business Development Center Program to provide management assistance to current and prospective small business owners. There are now 58 small business development center programs with a network of nearly 1,000 service locations. The program is a cooperative effort of the private sector, the educational community and federal, state and local governments. It enhances economic development by providing small businesses with management and technical assistance.

SBDC assistance is tailored to the local community and the needs of individual clients. The SBDC Program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of small business management. SBDC services include, but are not limited to, assisting small businesses with:

- Developing business plans;
- Identifying financing resources;
- Assistance with marketing and advertising your business;
- Learning to deal with human resource issues;
- Providing information on tax and legal issues;
- Feasibility studies.



For more information or to find the regional center nearest you, go to www.isbdc.org

A Personal Evaluation

Before you take the big step of opening your own child care facility, think about:

Yourself

1. Are you the kind of person who can get a business started and make it a success?
2. Do you want a business of your own? Are you willing to work long hours for low wages?
3. Do you have experience working with young children?
4. Do you have basic education for working with young children?

Money

1. Do you know how much money is needed to start your own child care business?
2. Have you estimated your projected income and expenses?
3. How much of your own money can you invest in the business?
4. How much money can you obtain from other sources?
5. Do you know where to borrow needed funds? Do you have a good credit rating?
6. Are start up grants or funds available in your community?

Record Keeping

1. Have you planned a record keeping system that will detail your income and expenses?
2. Do you know how to prepare tax reports and payments?
3. Have you enlisted the assistance of an accountant with experience in child care finance?

Law, Regulations And Your Personal And Professional Liability

1. Do you have an insurance agent to consult on the types of insurance you need?
2. Do you have an attorney to consult on legal matters?
3. Have you contacted the appropriate state licensing agency?
4. Have you contacted your local SCORE or SBDC office? Do you have a business plan?
5. Have you contacted your local Resource and Referral agency?

Community Need (*your local CCRR can assist you with determining community need)

1. Have you evaluated the competition in the area?
2. Do you have a completed child care needs assessment for your area?
Determining Community Need
Number of families in your community _____
Number of working families with children _____ 0-6 _____ 7-14
Number of new home starts _____
Number of existing child care facilities and their capacity
_____ centers _____ homes _____ exempt _____ ministries
3. What businesses currently exist in your community?
4. What type of child care services do their employees need?
5. What new businesses are coming into your community?
6. Demographic information and geographic concentration of families with children?
7. Income level of families in your community?
8. School census data?
9. Who are your potential customers?
10. Who will enroll in your child care program?

A Competitive Advantage Checklist

Use the following checklist for a quick comparison of your proposed child care program to other programs in your area.

Parents look for:	Other Programs:	You Have:
Location:		
Operating hours:		
Adequate parking:		
Group size:		
Child/staff ratios:		
Qualifications for staff:		
Separate space for infants:		
Accommodations for children with special needs:		
Nutritious meals:		
Discipline policy:		
Adequate play space:		
Appropriate equipment:		
Nurturing atmosphere:		
Clean, organized, and clutter-free environment:		
Age-appropriate planned activities:		
Indoor area free of potential dangers:		
Outdoor area with safe equipment and surface:		
Area protected by fence:		
What differentiates your business from your competition?		



The Business Plan

Prepared by the U.S. Small Business Administration and SCORE (Service Corps of Retired Executives).

Every business begins with an idea—a product to be manufactured or sold, a service to be performed. Child care is a service. Whatever the business or its degree of complexity, the prospective business owner needs a comprehensive plan in order to transform a vision into a working operation.

The business plan should describe, in writing and in figures, your business and objectives, what you know about the market, how you are going to enter the market, an organizational plan and measurable financial objectives. The plan is used by prospective lenders and investors as a means for evaluating potential success and by the business owner to assess continuously the strength of the operation and its direction. The success of your business depends largely upon the decisions you make. A business plan allocates resources and measures the results of your actions, helping you set realistic goals and make logical decisions. A business plan evaluates your business, directs your actions, helps you in securing resources and also helps you manage the business. Your business plan will be your “map” to reach your goals and objectives. By writing your business plan using this outline, you will realize what is needed to start up and operate a child care center, identify needed funds and most importantly, be better able to deal with a banker to borrow required funds. The plan needs to be written and divided into five parts. Each part should be on a separate page or pages so that changes can be made in any part without rewriting the entire plan. These parts are:

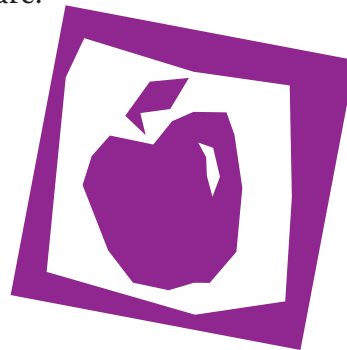
1. Goals and Objectives
2. Analysis of the Market
3. A Description of Your Business
4. Financial Data
5. Summary of Operations and Management

1. Goals And Objectives

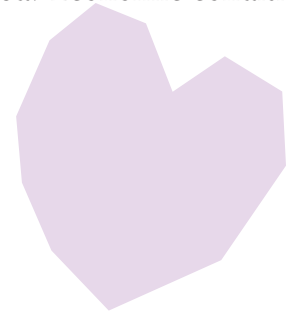
- Why are you going into the child care business?
- What prior experience have you had in the child care field? What do you want out of your new business?
- Will you need a salary for yourself?
- Will you be the Director/Administrator?
- If yes, do you meet the licensing requirements?
- What type of child care program will you operate?
- How big will your program be?
- How many children will you care for?
- Number of employees?
- How will you measure the success of your business?

2. Analysis Of The Market

- What is the child care market?
- Why do you think there is a need for a child care facility in your chosen location?



- What group of people will use your center?
- What is the present status of child care facilities?
- How is the need changing?
- What is happening to other facilities in the area?
- Analyze information from Step Ahead and Child Care Financing Initiative documents, libraries, other centers and trade publications.
- What uncontrollable influences will affect your child care business?
- What licenses and regulations are now required or may be required? Economic conditions?
- Will a business/corporate operated center be opened?
- What is the competition, including chains and franchises?
- What will be the portion of the market in which you will locate?
- Who will actually be your customer?
- What is the number of young children in your area?
- What is the income level of parents in your community?
- Is the number of families of childbearing age changing?
- What percent of the families in your market need child care or now use child care?
- Why will these parents use your service?
- What hours will your clients want child care?
- Can you estimate your annual income received from your child care center?
- Why is it achievable?



3. Describe Your Service

- How will your child care service fit the market?
- What makes your child care facility unique?
- What will you name your child care facility?
- Explain how your center will specifically satisfy parents' wants and needs.
- How will you set prices?
- Based on competition, your costs or what the market expects?
- Will you offer discounts? To whom?
- What will be your credit and collection policy?
- How will you promote and sell your child care service?
- How will you tell your prospective clients about your program?
- Will you advertise? Where, when and how much?
- Who will be responsible for getting customers?
- What are the physical aspects of your facility?
- Where will you locate? Why? Is the zoning appropriate? Will the building pass code inspection?
- Where will you buy equipment, fixtures and daily supplies? What are the terms of payment?

4. Financial Data

- Prepare a statement of projected income and expenses. Determine the financial requirements to get started.
- List all the permanent assets required and the value or cost to obtain each
- List of start up materials and costs

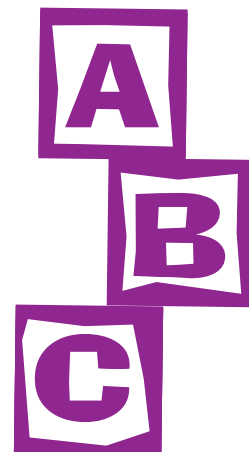
- Equipment
- Building improvements
- Prepaid items (license, insurance, phone deposit, etc.)
- Other assets, if any
- Determine the working capital (cash needs)
- Estimate one time start up expenses (non-asset)
- Estimate monthly revenues and disbursements (cash flow)
- What percent of anticipated enrollment can you count on?
- Estimate a contingency fund - safety factor
- Figure total cash need: Start up expense + Largest cash flow deficit contingency fund = Total cash needed
- List the money and/or value of assets you intend to invest in the business (owner equity)
- Project your financial needs (cash, loans)
- Income (cash flow)

5. Summarize Operation And Management

- Who will do what? Write major job descriptions.
- What will be your legal form of organization? Do you have an attorney or access to legal services?
- What are your accounting needs? What records will you keep? Do you have an accountant?
- What are your insurance needs? Property, Liability, Health Identify your major strengths and weaknesses as a child care owner/manager.

Visit your local Small Business Development Center for more assistance at www.isbdc.org or your local SCORE office for no fee business counseling.

Notes:



Independent Contractors vs. Employees

Your child care business has grown large enough that you need to hire staff. Regarding the Internal Revenue Service, there is a caution about the way you classify those who work for you. Child care providers who classify an employee as an independent contractor and who have no reasonable basis for doing so may be held liable for employment back taxes for that worker.

Generally speaking, staff working for you in the child care business are employees, thus you as the employer must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. IRS Publication 15 (Circular E) Tax Employer's Guide contains the figures and charts to help you withhold the accurate amount of income taxes from your employee as well as the accurate social security and Medicare tax withholdings. The IRS differentiates between an employee and an independent contractor with the general rule that anyone who performs services for you is your employee if you can control what will be done and how it will be done. IRS Form SS-8 Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding can help you determine if a worker is an employee or a subcontractor.

Part of the IRS definition of an independent contractor is that the employer has the right to control or direct only the result of the work done by an independent contractor, and not the means and methods of accomplishing the result.

An independent contractor has control and independence over the work to be done. To classify staff at a child care center as independent contractors, you - as the employer could not specify hours required to work, for example. Because child care providers need staff at specific times and for a specific number of hours each week, that relationship is definitely an employer/employee relationship. If direct-care giving staff are classified as employees, how could an independent contractor be involved with child care? An example follows:

Example: Vera Elm, a housekeeper, submitted a job estimate to a child care center for cleaning work at \$16 per hour for 400 hours. She is to receive \$1,280 every 2 weeks for the next 10 weeks. This is not considered payment by the hour. Even if she works more or less than 400 hours to complete the work, Vera Elm will receive \$6,400. She also performs additional cleaning contracts with other child care centers that she obtained through advertisements. Vera is an independent contractor.

Remember that child care staff who are directly involved with the care of children are generally classified as employees. As always, use this information for reference only and always seek the advice of a qualified financial advisory for questions related to independent contractor vs. employee status.





Projecting Income/Expense Through Budgets

As much as you enjoy caring for children, it is still important to ensure that your program brings in enough money to cover its costs--and, if you are organized as a for-profit, leaves you a surplus. To determine whether your program is covering its costs on an ongoing basis, you will need to create budgets and periodically review them, making adjustments if necessary. You should also make monthly cash flow projections and review these against the actual flow of cash through your business. This section of the child care manual will explain how to do these financial planning activities. The worksheets at the end of this section will help you to organize your information.

Save all receipts, keep careful records and check with your accountant to be sure of allowable tax deductions. Some examples may be conferences, education or training, advertising, transportation (record your mileage if your personal vehicle is used for business), gifts for staff, professional fees, publications/professional journals, un-reimbursed supplies, and phone calls from home. IRS Publication 583 Starting a Business and Keeping Records is a great tool that can be used to help provide you with ideas on record keeping for your new business.

You will need to create two different budgets, a capital (start-up) budget and an annual operating (ongoing) budget. Every program is unique and will be influenced by the number of children and staff and the type of facility used. Please include ALL revenues (income) or expenses relevant to your program.

Start-up Budget

There are many large, one-time costs associated with starting or expanding a program. These include (but are not limited to):

- Capital costs: the lease or purchase of a building, renovations, construction, land acquisition, improvement of playground area (including fencing and safety surfaces)
- Purchasing equipment: for every child you will need a child size chair, table space, cot, mat, and cubby space, along with money for books, toys, shelves, activity area furniture and playground equipment. (budget approximately \$600-\$750 per child - \$1,000 for infants.)
- Fence and safety surfaces for outside play areas
- Fire alarms, extinguisher, lighted exit signs and any adaptations required by local fire safety standards
- ADA requirements — ramps, hand rails and other accessibility factors
- Permits, licensing fees, zoning appeals
- Advertising
- Professional fees (legal advice, accounting, architects, other consultants)
- Cost in money and your time for planning, recruitment, licensing, and program development.
- Lag time cost — you may not begin collecting tuition/fees or subsidy reimbursement before you are required to pay vendors for many of your up-front costs, so you must be prepared to front these costs.
- Running program at less than full capacity: conservative capacity projections for start-up programs are 60% enrollment in year one, 75% in year two, and 85-90% in year three.

Additional up-front expenses may include:

- Telephone installation, first aid supplies, child-proofing cabinets and storing other materials away from children's reach
- Training or education to increase child care skills for you or any staff members
- Liability and medical insurance
- Refrigerator for food storage, equipment for meal preparation, and dishes and utensils for meal consumption

Many of these start-up costs are fixed costs meaning that you must pay for them up front regardless of how many children you enroll (examples: buying a building, fees for obtaining permits and licenses, purchasing equipment). Variable costs include staff, food and supplies — items that are dependent upon the number of children being served. They are purchased as they are consumed (staff is paid as they are employed), their quantities can be increased or decreased as your enrollment increases or decreases, and their costs should be covered by monthly revenues. For start-up, centers and homes should budget for three months worth of working capital up front to pay 100% of fixed costs and the amount of variable expenses not expected to be covered by revenues. You should have this money set aside or borrowed before starting up your program.

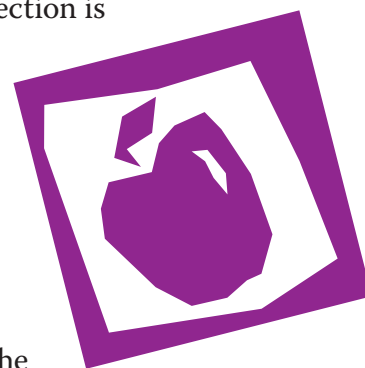
Annual Operating Budget And Cash Flow Projections

The operating budget you develop should cover a twelve-month period. For most child care programs, this should be the calendar year or the July 1st to June 30th school year. Use the same cycle you use for filing taxes.

Cash flow projections should be done on a monthly basis using the same revenue and expense categories as the annual budget. A cash flow projection is an important planning tool, particularly for new or expanding programs. As the name suggests, it follows the flow of money IN and OUT of your business. This is important because there can be differences in the time between when you are required to spend money (paying staff, purchasing supplies, paying rent) and when you receive money.

In most businesses there is a delay before receiving money for services that have been provided. For example, you may be awarded a grant to purchase new equipment, but not receive the money for several months. Or, if you receive subsidy payments, there may be a delay between when you provide the care to the children and when you are actually paid for providing that care. If you are planning an expansion of an existing child care program, your annual budget may look balanced (with revenues greater than or equal to expenses for the year). However, if the additional families do not enroll for several months, you may discover, at the time that bills are due to be paid, that you do not have the money to pay for all of the new equipment you had to purchase at the beginning of the year.

When making your cash flow projections, do not record the revenue until you will actually receive it, or the expense until you will actually spend it. If you review the monthly flow of cash in and cash out, you can better prepare for times of shortfall - you can plan ahead. Any surplus (money left over) at the end of the month will help you through the next month. But any deficit (shortfall) in one month will need to be covered in the next month.



Hint: if this a new idea for you and you are already operating a child care program, it is okay to start by recording your cash flow after the fact. Each month, track all of the money that you spend and receive. It may help to save all of your receipts in a separate envelope or box for each month. At the end of the month, record the flow of ALL money in and out of your business.

Listed below are potential sources of revenue and expenses for your program. Traditional financial statements place revenues above expenses because you take the money you receive and subtract out your expenses to see how much is left over. However, to build an accurate budget, it is important first to know how much it costs to provide your service and then decide how you will cover your costs through income. Therefore, when they are discussed in greater detail on the pages that follow, expenses will be reviewed first, followed by revenues.

Revenue	
<ul style="list-style-type: none"> • Registration fees • Subsidy reimbursement • Other government funding • Transportation charges • Interest and dividends • Miscellaneous (late fees, returned check fees) 	<ul style="list-style-type: none"> • Parent fees (full tuition or co-payments) • Food program reimbursement • Grants • Gifts, contributions, fund-raising • Sale or exchange of property
Expenses	
<ul style="list-style-type: none"> • Personnel • Occupancy • Insurance • Postage and telephone • Copying/Printing • Professional • Transportation (field trips, daily service) • Fees • Fund raising costs 	<ul style="list-style-type: none"> • Purchased services/professional services • Equipment • Food • Supplies • Advertising and public relations • Training/License renewal • Taxes • Discounts

Home Based Providers: Home-based providers who are self employed, have a different filing requirement from those who have an incorporated or other business entity. A Home-based provider completes an IRS Schedule C or C-EZ and a Schedule SE Self-Employment tax schedule which they will attach to their individual Form 1040 tax return. The instruction booklet for the IRS Form 1040 will provide detailed instructions on how to complete the Schedule C and C-EZ. The Publication 533 will discuss the Self-employment taxes paid by a self-employed (or subcontractor) individual.

Depending on the amount of income generated from your home based day care business, you may want to pay estimated taxes. Estimated tax is the method used to pay tax on income that is not subject to withholding (for example, earnings from Self-employment). In most cases, you must make estimated tax payments if you expect to owe at least \$1,000 in tax for the year (after subtracting your withholdings and credits). You may wish to pay estimated tax payments to avoid any estimated tax penalties that may be assessed. You may pay estimated taxes using IRS form 1040-ES Estimated Tax for Individuals.

Home-based providers will need to calculate a “time/space percentage” in order to determine how much of their expenses they can allocate to their business. The time/space

percentage is based upon the number of hours for which the home is used for business purposes and the amount of the space used for the business. See IRS publication 587 Expenses for Business Use of the Home and IRS Form 8829 Expenses for Business Use of the Home.

<u>Hours of operation</u>	multiplied by	<u>square footage used for child care</u>
total square footage of home		Hours in a year (8760 hrs)

This calculation will give you a percentage to be multiplied by expenses such as rent/mortgage payment, utilities, and telephone. Talk with an accountant to ensure correct calculation of these expenses.

NOTE** All IRS forms and publications may be obtained at not cost by calling **1-800-829-1040** or by logging onto the IRS web site at **www.irs.gov**.

Sample Annual Budget Workplan: Ministry-Based Program

As you begin your new venture, you'll need to determine the market for your area for child care parent fees. Your CCRR office can assist you on this market analysis. What can you expect in terms of income? Child care is not a business that makes a lot of money. For example, most ministries are heavily subsidized by the church and operate "in the red" for at least the first 1-2 years. Please do your budget sheets prior to embarking on your new business so that you have an idea of profit/loss.

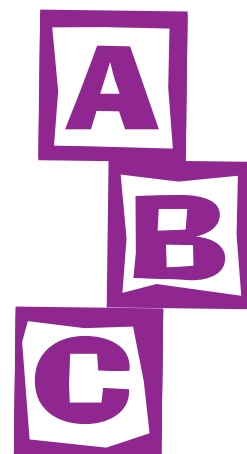
A suggested formula for estimating income from tuition is based on weekly rate multiplied by the # of children for 50 weeks at 80% enrollment. The following sample is based on one classroom of each age group with recommended capacity.

• Infants	8 X \$73 X 50 weeks X 80%	=	\$23,360
• Toddlers	10 X \$55 X 50 weeks X 80%	=	\$22,000
• 2 year olds	10 X \$55 X 50 weeks X 80%	=	\$22,000
• 3 year olds	20 X \$55 X 50 weeks X 80%	=	\$42,400
• 4/5 year olds	24 X \$53 X 50 weeks X 80%	=	\$50,880
• School age (school year)	25 X \$21 X 38 weeks X 80%	=	\$15,960
• School age-summer	25 X \$49 X 12 weeks X 80%	=	\$11,760

Estimated Income From Tuition: \$188,360

Other possible sources of income:

- annual activity or registration fee per family
- federal food program
- church subsidy
- United Way or other funding sources
(may or may not be able to use for operating costs)
- fundraising



Sample Annual Budget Workplan: Ministry - Based Program

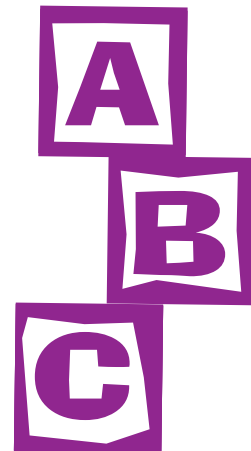
What Can You Expect For Expenses?

Salaries: (based on twelve hours of operation per day)

- 2 teachers per classroom X 5 classrooms (0-5 years) X \$7.00 per hour X 40 hours per week X 50 weeks = \$140,000
 - 2 teachers per classroom X 1 school age classroom X \$7.00 per hour X 20 hours per week X 50 weeks = \$14,000
 - Total: \$154,000 (does not include director's salaries or fringe benefits, taxes, etc.)
- Food costs: approximately \$5.00 per day per child
- 72 children X \$5.00 X 250 days per year = \$90,000 (could be offset by participating in food program)

Ongoing expenses would include office and classroom material and equipment, occupancy costs if not covered by the church, advertising/marketing, printing and postage, maintenance, cost for voucher participation including CPR/First Aid, drug testing, criminal history checks. Start-up expenses will vary depending on the number of classrooms, need for space remodeling or safety modifications, existing liability insurance, etc.

Notes:



Annual Budget Workplan: Center - Based Programs

Revenue	Amount
Registration fees	
Parent fees	
Subsidy reimbursement	
Food subsidy reimbursement	
Transportation fees	
United Way contribution	
Other grants	
Late pick up charges	
Interest and Dividends	
Fundraisers	
Miscellaneous	
Total Revenue	
Expenses	
Salaries	
Benefits	
Payroll taxes	
Rent/mortgage	
Utilities (heat and electric)	
Telephone	
Insurance	
Food	
Classroom equipment and toys	
Cleaning/maintenance	
Administrative supplies	
Postage	
Copying/printing	
Classroom supplies	
Advertising	
Professional development	
Professional dues, journals	
Transportation/Vehicle expense	
Fundraising Expense	
Uncollected Tuition	
Child care for employees	
Scholarship program	
Security	
Auditor/bookkeeper	
Transportation	
Miscellaneous	
Total Expenses	
Net income or loss (Revenues – Expenses)	

Budget Worksheet - Home Based Program

Revenue	Amount
Registration fees	
Parent fees	
Subsidy reimbursement	
Food subsidy reimbursement	
Transportation fees	
Grants	
Interest and Dividends	
Fundraisers	
Late pick up fees	
Miscellaneous	
Total Revenue	
Expenses	
Salaries	
Benefits	
Payroll taxes	
* Rent/mortgage	
* Utilities (heat and electric)	
* Telephone	
Insurance	
Food	
Classroom equipment and toys	
Cleaning/maintenance	
Administrative supplies	
Postage	
Copying/printing	
Classroom supplies	
Advertising	
Professional development	
Professional dues, journals	
Fundraising Expense	
Uncollected Tuition	
Child care for employees	
Scholarship program	
Security	
Auditor/bookkeeper	
Transportation/Vehicle expense	
Miscellaneous	
Total Expenses	
Net income or loss (Revenues - Expenses)	

* must calculate time-space percentage



Resource Telephone Numbers

- Consumer Product Safety Commission (Nationwide) 1-800-638-2772
- Family and Social Services Administration 1-877-511-1144
- Child Care Development Fund Voucher 1-317-232-1144
- Hoosier Healthwise 1-800-889-9949
- Indiana Association for Child Care Resource and Referral ... 1-800-299-1627
- Indiana Child Care Health Consultants 1-812-855-6508
- Indiana Department of Education/Food Program 1-800-537-1142
- Indiana Department of Environmental Management 1-800-451-6027
- Indiana First Steps 1-317-232-1144
- Indiana Youth Institute 1-800-343-7060
- Internal Revenue Service 1-800-829-1040
- SCORE (Service Corps of Retired Executives) 1-317-226-7264
- State Office Building Commissioner 1-317-232-1421
- State Office of the Fire Marshal 1-317-232-2222
- Statewide Child Abuse Reporting 1-800-800-5556
- T.E.A.C.H. Early Childhood Scholarships..... 1-800-657-7577



**Division of Family Resources
Bureau of Child Care**

402 West Washington Street, Room W-386
Indianapolis, Indiana 46204

1-877-511-1144

www.childcarefinder.in.gov